

Bill No. 5-13
Concerning: Property Tax Credit –
Accessibility Features
Revised: 11/19/2013 Draft No. 3
Introduced: February 5, 2013
Enacted: November 19, 2013
Executive: _____
Effective: July 1, 2014
Sunset Date: None
Ch. , Laws of Mont. Co.

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Leventhal

AN ACT to:

- (1) provide for a property tax credit for an accessibility feature installed on an existing residence; ~~[[and]]~~
- (2) provide for a property tax credit for meeting a Level I or Level II accessibility standard on a new single family residence;
- (3) provide for an impact tax credit against the Development Impact Tax For Public School Improvements for meeting a Level I accessibility standard; and
- (4) generally amend County law regarding property tax credits.

By adding

Montgomery County Code
Chapter 40, Real Property
Section 40-12D

Chapter 52, Taxation
~~[[Section]]~~ Sections 52-18T, 52-18U

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-93

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[[Single boldface brackets]]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. [Section] Sections 40-12D, 52-18T and 52-18U [is] are added and
Section 52-93 is amended as follows:

40-12D. Disclosure of availability of property tax credits for accessibility improvements.

(a) Before the buyer signs a contract for the purchase of a new single-family residential real property in the County, the seller must disclose to each prospective buyer that a real property tax credit may be available to the buyer for the cost of installing accessibility features or the cost of Level I or Level II accessibility standards to the property as defined in Section 52-18U(a).

(b) The disclosure must include [[a description of]] general information about the types of improvements for which the credits are available and an estimate of the [[amount of credit]] general cost to make the improvements.

(c) A seller or the seller's agent is not liable for any incorrect information disclosed under this Section if the seller or the seller's agent relied in good faith on information provided by the County to describe the credit or to estimate the amount of the credit.

52-18T. Property Tax Credit – Accessibility Features

(a) Definitions. In this Section, the following terms have the meaning indicated.

Department means the Department of [[Finance]] Permitting Services.

Director means the Director of the Department or the Director's designee.

Eligible costs means costs that are:

(1) incurred within 12 months before the property owner submits an application to the Department for the credit;

- (2) for a feature authorized under this Section, including reasonable costs to install the feature;
- (3) paid by the applicant and not, or will not be, reimbursed by any entity; and
- (4) in excess of \$500.

Feature means a permanent modification to a residence that results in:

- (1) a no-step front door entrance with a threshold that does not exceed ½ inch in depth with tapered advance and return surfaces or, if a no-step front entrance is not feasible, a no-step entrance to another part of the residence that provides access to the main living space of the residence;
- (2) an installed ramp creating a no-step entrance;
- (3) an interior doorway that provides a 32-inch wide or wider clearing opening;
- (4) an exterior doorway that provides a 36-inch wide or wider clear opening, but only if accompanied by exterior lighting that is either controlled from inside the residence, automatically controlled, or continuously on;
- (5) walls around a toilet, tub, or shower reinforced to allow for the proper installation of grab bars with grab bars installed in accordance with the Americans with Disabilities Act Standards for Accessible Design;
- (6) maneuvering space of at least 30 inches by 48 inches in a bathroom or kitchen so that a person using a mobility aid may enter the room, open and close the door, and operate each fixture or appliance;
- (7) an exterior or interior elevator or lift ~~[[of]]~~ or stair glide unit;

(8) an accessibility-enhanced bathroom, including a walk-in or roll-in shower or tub; or

(9) an alarm, appliance, and control structurally integrated into the unit designed to assist an individual with a sensory disability.

(b) Credit established. In accordance with Section 9-250 of the Tax-Property Article of the Maryland Code, the owner of real property may receive a property tax credit against the County property tax for a feature that is installed on an existing residence that is the owner's principal residence when the feature is installed.

(c) Credits.

(1) [[Amount of Credit.]] The tax credit allowed under this Section is the lesser of:

[[1]](A) 50% of the eligible costs; or

[[2]](B) \$2,500 less any subsidy received from a governmental, quasi-governmental, or non-profit entity for the feature.

(2) Any credit that is received [[that]] which exceeds the annual tax liability of the property may be carried over to the next tax year.

(3) The credit runs with the property upon the transfer of title, and the balance of any credit [[will]] must be applied to the tax bill of the subsequent owner of the property.

(d) Annual Limit on Amount of Credits Granted.

(1) During any fiscal year, the total of all tax credits granted under this Section must not exceed \$100,000.

(2) Credits must be granted in the order in which the Department [[receives]] certifies the [[complete applications]] amount of the credit under subsection (e)(3) [[of this Section]].

(3) [[A complete application that, if granted, would cause the limit set forth in paragraph (1) of this subsection to be exceeded,

83 must be granted in the next fiscal year or years and in the order
84 received.]] A certification of a credit that would cause the limit
85 in subsection (d)(1) [[of this Section]] to be exceeded must be
86 granted in the next tax year or years, subject to subsections (c)
87 and (d)(1) [[of this Section]].

88 (e) Application for the Credit.

89 (1) To receive the credit, a property owner must submit an
90 application to the Department:

91 (A) in the format the Department requires;

92 (B) that includes a copy of the building permit to install the
93 feature;

94 (C) that includes any document that the Department requires;
95 and

96 (D) on or before the date the Department sets.

97 (2) The Department must only accept one application for a credit
98 under this Section for each property during a single tax year.

99 (3) The Department must certify to the Department of Finance that
100 the property is eligible for the credit and the amount of the
101 credit.

102 (4) A property owner may submit an application on or after March
103 1, 2014 for a credit.

104 (f) Administration.

105 (1) The County Executive may adopt regulations under Method (2)
106 to administer this Section.

107 (2) The Department must submit a written report to the Council by
108 October 1 of each year for the preceding fiscal year. The report
109 must include the following:

110 (A) number of applicants;

(B) number of applications approved;

(C) [[income range of applicants;]]

[[D)] modification made by the applicant;

[[E) reason for the modification]]

[[F)] (D) other sources from which the applicant received funds or applied for assistance for the modification;

[[G)] (E) efforts to advertise the credit; and

[[H)] (F) any program recommendations.

(g) Publicity. The Department must publicize the credit in a way designed to inform those most likely to benefit from the credit.

(h) Effective Date. The credit authorized by this Section applies to tax years beginning [[June 30, 2013]] on or after July 1, 2014.

52-18U. Property Tax Credit – Level I and Level II Accessibility Standards

(a) Definitions. In this Section, the following terms have the meaning indicated:

Department means the Department of Permitting Services.

Director means the Director of the Department or the Director's designee.

Eligible costs means costs that are:

(1) incurred within 12 months before the property owner submits an application to the Department for the credit;

(2) for an accessibility feature authorized under this Section, including reasonable costs to install the feature;

(3) paid by the applicant and not, or will not be, reimbursed by any entity; and

(4) in excess of \$500.

Accessibility Feature means a permanent addition to a single family residence that is a requirement under a Level I or Level II Accessibility Standard.

Level I Accessibility Standard means a permanent addition to a single family residence that include at least one no-step entrance located at any entry door to the house that is connected to an accessible route to a place to visit on the entry level, a usable powder room or bathroom, and a 32-inch nominal clear width interior [[doors]] door as further defined and described in Executive Regulations adopted under Method 2.

Level II Accessibility Standard means permanent additions to a single family residence that provide all of the Level I Accessibility Standards plus an accessible circulation path that connects the accessible entrance to an accessible kitchen, a full bath, and at least one accessible bedroom, [[and]] as [[is]] further defined and described in Executive Regulations adopted under Method 2.

Single family residence means an attached or detached single family home.

(b) Credit established. As authorized by Section 9-250 of the Tax-Property Article of the Maryland Code, the owner of a single family residence located in Montgomery County may receive a property tax credit against the County real property tax for the cost of features that achieve Level I or Level II Accessibility Standards.

(c) Amount of Credit. The tax credit permitted by this Section [[will]] must be as follows:

(1) For features meeting Level I Accessibility Standards, certified costs of up to \$3,000 less any credit received against the Development Impact Tax for School Improvements under

Section 52-93 for those features and less any funds or assistance received for the accessibility feature.

(2) For features meeting Level II Accessibility Standards, certified costs of up to \$10,000 less any credit received against the Development Impact Tax for School Improvements under Section 52-93 for those features and less any funds or assistance received for the accessibility feature.

(3) The maximum amount of credit that may be applied in any one tax year is \$2,000.

(4) The amount of credit that may be applied in any one tax year must not exceed the amount of County property tax imposed on the property in that year.

(5) Any credit that is granted that exceeds the limit set in subsection (c)(3) [[of this Section]] or exceeds the annual tax liability of the property may be carried over to the next tax year, subject to subsection (c)(3) [[of this Section]], until the entire amount of the credit is applied.

(6) The credit runs with the property upon transfer of title and the balance of any credit [[will]] must be applied to the tax bill of the subsequent owner of the property.

(d) *Annual Limit on Amount of Credits Granted.*

(1) During any tax year, the total of all tax credits granted under this Section must not exceed \$500,000.

(2) Credits must be granted in the order in which the Department certifies the amount of the credit under subsection (e)(3) [[of this Section]].

(3) A certification of a credit that would cause the limit [[set forth]] in subsection (d)(1) [[of this Section]] to be exceeded must be

193 granted in the next tax year or years subject to subsections
194 (c)(3) and (d)(1) [[of this Section]].

195 (e) *Application for the Credit.*

196 (1) To receive the credit, a property owner must submit an
197 application to the Department:

198 (A) in the format the Department requires;

199 (B) that includes a copy of the building permit to install the
200 feature;

201 (C) that includes any document that the Department requires;
202 and

203 (D) on or before the date set in the regulations.

204 (2) The Department must only accept one application for a credit
205 under this Section for each property during a single tax year.

206 (3) The Department must certify to the Department of Finance that
207 the property is eligible for the credit and the amount of the
208 credit.

209 (4) A property owner may apply for a credit on or after March 1,
210 2014.

211 (f) *Administration.*

212 (1) The County Executive may adopt regulations under Method (2)
213 to administer this Section.

214 (2) The Department must submit a written report to the Council by
215 October 1 of each year for the preceding tax year. The report
216 must include the following:

217 (A) number of applicants;

218 (B) number of applications approved;

219 (C) modification made by the applicant; and

220 (D) efforts to promote the credit.

(g) Publicity. The Department must publicize the credit in a way designed to inform those most likely to benefit from the credit.

(h) Effective Date. The credit authorized by this Section applies to tax years beginning on or after July 1, 2014.

Sec. 52-93. Credits.

* * *

(e) (1) A property owner must receive a credit for constructing or contributing to the cost of building a new single family residence that meets Level I Accessibility Standards, as defined in Section 52-18U(a).

(2) The credit allowed under this Section must be as follows:

(A) If at least 5% of the single family residences built in the project meet Level I Accessibility Standards, then the owner must receive a credit of \$500 per residence.

(B) If at least 10% of the single family residences built in the project meet Level I Accessibility Standards, then the owner must receive a credit of \$1,000 per residence.

(C) If at least 25% of the single family residences built in the project meet Level I Accessibility Standards, then the owner must receive a credit of \$1,500 per residence.

(D) If at least 30% of the single family residences built in the project meet Level I Accessibility Standards, then the owner must receive a credit of \$2,000 per residence.

(3) Application for the credit and administration of the credit [[will]] be in accordance with [[the provisions of]] Subsections 52-18U(e) and (f).

